

nor are they currently located on or within the property. To their knowledge and belief, BHS, RHS, their subsidiaries and the property, including any underground fuel storage tanks located within the property, are in full compliance with all environmental laws, and no event has occurred that would constitute non-compliance thereof, whether upon the giving of notice or passage of time or both. No governmental agency or authority has issued any notices or claims or commenced any proceedings regarding or alleging the existence, storage or disposal of hazardous substances on the property, or the discharge or release of hazardous substances from the property. For purposes hereof, "applicable environmental laws" shall mean the Resource Conservation and Recovery Act of 1981 (as amended) ("RCRA"), the Comprehensive Environmental Response Compensation and Liability Act of 1980 (as amended) ("CERCLA"), the Hazardous Waste Management Act of 1978 (as amended), the Clean Air Act of 1970 (as amended), the Toxic Substances Control Act of 1976 (as amended), and any other environmental laws of the United States, the State of Missouri, and the ordinances of any applicable county or municipality, and "hazardous substance" and "release" shall have the meaning specified in such applicable environmental laws.

Section 2.27 Representations and Agreements Do Not Survive Closing.

(a) Except as otherwise set forth in Section 2.27(b) below, the representations and agreements of the parties set forth herein and in the certificates to be delivered at the Closing shall not survive the termination of this Agreement nor shall they survive the Closing and, following termination of this Agreement or the Closing, as the case may be, no party shall have a cause of action or any other remedy based upon the noncompliance of any party with any provision of this Agreement or based upon the omission, untruth or misleading nature of any representation made hereunder. RHS and BHS shall each rely upon their own investigation in determining whether or not to close the transactions contemplated hereunder.

(b) The provisions of Article I, the provisions of this Section 2.27, the provisions of Article III and the provisions of Sections 6.1 through and including Section 6.9 shall survive the Closing.

ARTICLE III

CONFIDENTIALITY

RHS and BHS, on behalf of themselves and their related entities, mutually agree that any confidential or proprietary

matters (except publicly available or freely usable material as otherwise obtained from another source who was rightfully in possession of and entitled to disseminate such material) respecting either party or their respective related entities will be kept in strict confidence by the other party to this Agreement, and shall not be used or disclosed by the other party whether or not the transactions contemplated by this Agreement are consummated. The provisions of this Article III shall survive termination of this Agreement. In the event of termination of this Agreement, each party shall use all reasonable efforts to return, upon request, to the other party, all documents (including reproductions thereof) received from or at the direction of the other party (and, as to reproductions, all reproductions made by or on behalf of the receiving party) that include any information not within the exceptions contained in the first sentence of this Article III.

ARTICLE IV

CONDITIONS PRECEDENT TO CLOSING

Closing of this transaction shall not occur unless all of the conditions precedent set forth in this Article IV shall have been satisfied or waived in writing on or before the Closing Date.

Section 4.1 Conditions Precedent to RHS's Obligation to Close. RHS shall not be obligated to close unless all of the following conditions are satisfied on or before the Closing Date or RHS elects to waive in writing any condition which has not been satisfied:

(a) Compliance. All of the representations of BHS contained in this Agreement shall be true as of the date of this Agreement and shall be deemed to have been made again at and as of the time of the Closing, and shall then be true in all material respects, and BHS and BMC shall have caused all agreements, covenants and conditions required by this Agreement to be performed or complied with by them prior to or at the Closing to be so performed or complied with;

(b) Opinion of Counsel. RHS shall have been furnished with the opinion of counsel to BHS, in form and substance reasonably satisfactory to RHS, dated the Closing Date, to the effect set forth in SCHEDULE 4.1(b) attached hereto, and a separate opinion of bond counsel with respect to the financing described in Section 1.2(a) in form and substance reasonably satisfactory to RHS;

(c) No Action, Etc. No action or proceeding shall have been brought or threatened before any court or administrative agency to prevent the consummation of, or to seek damages in a material amount by reason of the transactions contemplated hereby, and no governmental authority shall have asserted in writing that the within transaction (or any other pending transaction involving RHS, when considered in light of the effect of the within transaction) shall constitute a material violation of law or give rise to material liability on the part of RHS;

(d) Legal Matters. All actions, proceedings, instruments and documents required to carry out this Agreement incidental hereto and all other related legal matters, instruments and documents required to carry out this Agreement or incidental hereto and all other related legal matters shall have been approved by legal counsel to RHS, which approval shall not be unreasonably withheld, and RHS's legal counsel shall have been furnished with all actions, documents and instruments as they shall have reasonably requested in connection with the transactions contemplated herein;

(e) Incumbency Certificates. RHS shall have received incumbency certificates, dated as of the Closing Date, certifying the incumbency of each officer and director of BMC and containing specimens of the signatures of the officers who are signing documents to be delivered at the Closing;

(f) Certified Resolutions. BHS and BMC shall have furnished resolutions, certified by the appropriate officers of BHS and BMC, authorizing the transactions contemplated hereby, approving the transfer of BHS assets to Charities and merger of BHS into BMC, and amending the Articles of Incorporation and/or By-Laws of BMC in the manner required by Sections 1.3 and 1.4 of this Agreement;

(g) Governmental Compliance. The parties shall have complied with the preclosing requirements, if any, of the Federal Trade Commission, the U.S. Department of Health and Human Services, and any other governmental agency with jurisdiction to regulate the business of any of them; and

(h) Lender Approvals. The parties shall have received written approval of the transaction by any lender or party which may have an agreement with the parties or any of their subsidiaries which requires approval by such lender or party for the performance of the obligations, covenants and conditions of this Agreement.

(i) Due Diligence Review and Strategic Plan. RHS shall have completed its due diligence review of the financial condition, business, operations, prospects and relationships of BHS and its subsidiaries to RHS's reasonable satisfaction. The strategic plan to be mutually developed and agreed to pursuant to Section 1.11 of this Agreement shall have been completed and received approval by the RHS Board of Directors.

Section 4.2 Conditions Precedent to the Obligations of BHS to Close. BHS shall not be obligated to close unless all of the following conditions are satisfied on or before the Closing Date or BHS elects to waive in writing any condition which has not been satisfied:

(a) Compliance. All of the representations of RHS contained in this Agreement shall be true as of the date of this Agreement and shall be deemed to have been made again at and as of the time of the Closing, and shall then be true in all material respects, and RHS and RMC shall have caused all agreements, covenants and conditions required by this Agreement to be performed or complied with by them prior to or at the Closing to be so performed or complied with;

(b) Opinion of Counsel. BHS shall have been furnished with the opinion of counsel to RHS, in form and substance reasonably satisfactory to BHS, dated the Closing Date, to the effect set forth in SCHEDULE 4.2(b) attached hereto, and a separate opinion of bond counsel with respect to the principal RHSS bond financing in form and substance reasonably satisfactory to BHS;

(c) No Action, Etc. No action or proceeding shall have been brought or threatened before any court or administrative agency to prevent the consummation of, or to seek damages in a material amount by reason of the transaction contemplated hereby, and no governmental authority shall have asserted in writing that the within transaction (or any other pending transaction involving BHS, when considered in light of the effect of the within transaction) shall constitute a material violation of law or give rise to material liability on the part of BHS;

(d) Legal Matters. All actions, proceedings, instruments and documents required to carry out this Agreement incidental hereto and all other related legal matters, instruments and documents required to carry out this Agreement or incidental hereto and all other related legal matters shall have been approved by legal counsel to BHS, which approval shall not be unreasonably withheld, and such counsel shall have been furnished with all such actions, documents and instruments as they shall have

reasonably requested in connection with the transactions contemplated herein.

(e) Incumbency Certificates. BHS shall have received incumbency certificates, dated as of the Closing Date, certifying the incumbency of each officer and director of RHS and RMC and containing specimens of the signatures of each of the officers who are signing documents to be delivered at the Closing;

(f) Certified Resolutions. RHS and RMC shall have furnished resolutions, certified by the appropriate officers of RHS and RMC, authorizing the transactions contemplated hereby, and amending the Articles of Incorporation and the Bylaws of RHS and RMC in the manner required by Sections 1.1, 1.7 and 1.8 of this Agreement;

(g) Governmental Compliance. The parties shall have complied with the preclosing requirements, if any, of the Federal Trade Commission, the U.S. Department of Health and Human Services, and any other governmental agency with jurisdiction to regulate the business of the parties; and

(h) Lender Approvals. The parties shall have received written approval of the transaction by any lender or party which may have an agreement with the parties or their subsidiaries which requires approval by such lender or party for the performance of the obligations, covenants and conditions of this Agreement.

(i) Due Diligence Review and Strategic Plan. BHS shall have completed its due diligence review of the financial condition, business, operations, prospects and relationships of RHS to BHS's reasonable satisfaction. The strategic plan to be mutually developed and agreed to pursuant to Section 1.11 of this Agreement shall have been completed and received approval by the BHS Board of Directors.

ARTICLE V

CLOSING

Section 5.1 Time and Place. Unless otherwise agreed to by the parties, the Closing under this Agreement for the merger of BHS and its subsidiaries with RHSS shall take place at the offices of RMC, 2316 East Meyer Boulevard, Kansas City, Missouri, on March 1, 1991, at 10:00 A.M., Local Time. All references in this Agreement, its exhibits and schedules, and in the agreements, instruments and documents delivered pursuant hereto,

to the Closing or the Closing Date shall mean March 1, 1991 or such other date as the parties mutually agree upon.

Section 5.2 Deliveries. At the Closing:

(a) BHS and/or BMC shall deliver to RHS:

(i) Transaction documents, including Articles of Merger, which have been certified by the Secretary of State of Missouri, effecting the reorganization of BHS described in Section 1.2 of this Agreement;

(ii) The certified resolutions required by Section 4.1(f) hereof;

(iii) A Certificate of Good Standing or corporate existence of BMC issued by the Secretary of State of Missouri, and dated February 28, 1991 after the filing of the Articles of Merger of BHS into BMC;

(iv) The legal opinions of counsel to BHS as required by Section 4.1(b) hereof;

(v) Duplicate originals of Articles of Amendment effecting the modification of the governing structure of BMC in the form and executed in the manner specified by R.S.Mo. §355.070 and R.S.Mo. §355.075 for filing by the parties with the Missouri Secretary of State. Following Closing, BMC shall cause the Missouri Secretary of State to issue certificates to the parties of the filing of such Articles of Amendment;

(vi) The By-Laws of BMC amended in the manner required by this Agreement and certified by the Secretary of BMC to have been duly adopted by the Board of Directors of BMC;

(vii) The incumbency certificates required by Section 4.1(e) hereof; and

(viii) Any such other documentation as counsel to RHS may reasonably request.

(b) RHS shall deliver to BHS and/or BMC:

(i) A certified resolution of the RHS Board of Directors authorizing the transactions contemplated by this Agreement and authorizing RHS

to amend its Articles of Incorporation and By-Laws in the manner described in Section 1.1 of this Agreement;

(ii) A certified resolution of the RMC Board of Directors authorizing the transactions contemplated by this Agreement and authorizing RMC to amend its Articles of Incorporation and Bylaws in the manner described in Sections 1.7 and 1.8 of this Agreement;

(iii) A Certificate of Good Standing or corporate existence of RHS and RMC issued by the Secretary of State of Missouri, dated not more than thirty (30) days prior to the Closing Date;

(iv) The legal opinions of counsel to RHS as required by Section 4.2(b) hereof;

(v) Duplicate originals of Articles of Amendment of RHS effecting the modification of the governing structure of RHS in the form and executed in the manner specified by R.S.Mo. §355.070 and R.S.Mo. §355.075 for filing by the parties with the Missouri Secretary of State. Following Closing, RHS shall cause the Missouri Secretary of State to issue certificates to the parties of the filing of such Certificates of Amendment of the Articles of Incorporation;

(vi) Duplicate originals of Articles of Amendment of RMC effecting the modification of the governing structure of RMC in the form and executed in the manner specified by R.S.Mo. §355.070 and R.S.Mo. §355.075 for filing by the parties with the Missouri Secretary of State. Following Closing, RMC shall cause the Missouri Secretary of State to issue certificates to the parties of the filing of such Certificates of Amendment of the Articles of Incorporation;

(vii) The By-Laws of RHS and RMC amended in the manner required by this Agreement and certified by the Secretary of RHS and the Secretary of RMC to have been duly adopted by the Board of Directors;

(viii) The incumbency certificates required by Section 4.2(e) hereof; and

(ix) Any such other documentation as counsel to BHS may reasonably request.

ARTICLE VI

MISCELLANEOUS

Section 6.1 Further Assurances. Each party hereto shall execute such further instruments and documents as counsel for the other party may reasonably require to carry out effectively the transactions contemplated hereby and to evidence the fulfillment of the agreements contained herein and the performance of all conditions to the consummation of such transactions.

Section 6.2 Entire Agreement; Construction; Counterparts. This Agreement, including the financial statements, the Exhibits hereto, and the Schedules delivered pursuant thereto, constitutes the entire agreement of the parties and may not be changed, terminated or discharged orally. The headings appearing in this Agreement have been inserted solely for the convenience of the parties and shall be of no force or effect in the construction of the provisions of this Agreement. This Agreement shall be construed under the laws of the State of Missouri and, subject to Section 6.4 hereinafter, shall be binding upon and inure to the benefit of the parties hereto, their respective successors, and permitted assigns. This Agreement may be executed in several counterparts, and each executed counterpart shall be considered an original of this Agreement.

Section 6.3 Assignment. Except as provided in this Section 6.3, no party to this Agreement may assign its rights or delegate its duties to any other person or entity without the prior written consent of the other party hereto.

Section 6.4 Notices. Notices hereunder shall be effective if deposited in the United States mail, postage prepaid, registered or certified, return receipt requested, and addressed, as follows:

BHS and/or BMC: Baptist Health Systems
6601 Rockhill Road
Kansas City, MO 64131
Attn: President

Copy to: S. Ruth Lehr
Jones & Lehr
9233 Ward Parkway, Suite 270
Kansas City, MO 64114

RHS and/or RMC: Research Health Services
2304 E. Meyer Blvd, Suite 2304
Kansas City, MO 64132
Attn: President

Copy to:

Larry J. Bingham
Seigfreid, Bingham, Levy, Selzer & Gee
2800 Commerce Tower
911 Main
Kansas City, MO 64105

Either party may change the address to which notices are to be addressed by giving the other party notice in the manner herein set forth.

Section 6.5 Expenses. Each party to this Agreement shall pay its own costs and expenses (including, without limitation, the fees and expenses of its counsel, auditors, and accountants) incidental to the preparation and carrying out of this Agreement.

Section 6.6 Brokerage Fee. Each of the parties hereto represents and warrants to each of the others that it has not engaged any broker, finder or other person who would be entitled to a brokerage or other fee or commission in respect of the execution of this Agreement and/or the consummation of the transactions contemplated hereby. With respect to brokerage fees or commissions, RHS shall exonerate, indemnify and hold BHS harmless against and in respect of any and all claims, losses, liabilities and expenses which may be suffered by BHS by reason of any such arrangement or agreement made by RHS, its agents or employees, and BHS shall exonerate, indemnify and hold RHS harmless in respect of any and all claims, losses, liabilities and expenses which may be suffered by RHS by reason of any such arrangement or agreement made by BHS or its agents or employees.

Section 6.7 Section and Other Headings. The section and other headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

Section 6.8 Invalidity of Any Provisions. It is the intention of the parties hereto that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies of each state and jurisdiction in which such enforcement is sought, and that the unenforceability (or the modification to conform with such laws or public policies) of any provision hereof shall not render unenforceable, or impair, the remainder of this Agreement. Accordingly, if any provision to this Agreement shall be deemed invalid or unenforceable in whole or in part, this Agreement shall be deemed amended to delete or modify, in whole or in part, if necessary, the invalid or unenforceable provisions, or portions thereof, and to alter the balance of this Agreement in order to render the same valid and enforceable.


Section 6.9 Third Parties. Nothing in this Agreement, expressed or implied, is intended to confer upon any person other than the parties hereto any rights or remedies under or by reason of this Agreement.

IN WITNESS WHEREOF, the parties have caused their corporate names to be hereunto subscribed by their duly authorized officers.

RHS:

RESEARCH HEALTH SERVICES

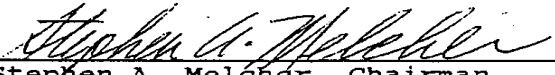
By


Arthur Brand, Chairman

RMC:

RESEARCH MEDICAL CENTER


By


Stephen A. Melcher, Chairman

BHS:

BAPTIST HEALTH SYSTEMS

By


Porter C. Jeffries, Chairman

BMC:

BAPTIST MEDICAL CENTER

By


Dan H. Anderson, President